1.TITLE OF THE THESIS

AN ANALYTICAL STUDY OF STATE EXCISE REVENUE AND ITS CONTRIBUTION IN OVERALL ECONOMIC GROWTH OF CHHATTISGARH (SPECIAL REFERENCE TO RAIPUR DISTRICT)

2.INTRODUCTION

"Excise Revenue" means revenue derived or derivable from any duty, fee, tax, penalty, payment other than a fine imposed by court of Law or confiscation imposed or ordered or agreed to under the provisions of the Chhattisgarh Excise Act 1915, or of any other law for the time being in force relating to liquor or intoxicating drugs.

Economic growth and development on the other hand is concerned with the increase in the amount of the goods and services produced by an economy over time which is conventionally measured as the percent rate of increase in real gross domestic product or real GDP as well as promotion in the standard of living and the economic health. Economic growth and development leads to quantitative and qualitative changes in the economy. Such actions can involve multiple areas including development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives. Economic development however differs from economic growth. Where Economic Development is a policy intervention endeavor with aims of economic and social well-being of people, Economic Growth is a phenomenon of market productivity and rise in GDP.

Excise Revenue plays a very critical role in the Economic growth and development of the state of Chhattisgarh, specifically Raipur District. The State Excise Department of Government of Chhattisgarh is one of the major earners of revenue, next only to Sales Tax and Stamp Duty. The Department is headed by the Commissioner and administratively governed by Home Department of the Government of Chhattisgarh.

The primary function of the Department is to collect Excise Duty on the alcoholic products and to regulate the trade of these products. This object is achieved by issuance of various types of licenses for the manufacture, possession, sale, transport, import and export of alcoholic products and effective enforcement through detection of crimes. The contribution of the Excise receipts to the total tax revenue of the state during the last five years was nearly 20 per cent. Receipts from excise comprise receipts derived from duty, fee or confiscation imposed or ordered under the provisions of Chhattisgarh Excise Act, 1915 and rules and notifications issued there under. It also includes revenue from manufacture, possession and sale of liquor, Bhaang and poppy heads.

The Department maintains a set of liquor shops and gives annual licenses to private contractors to sell country spirits, foreign liquor, bhaang and poppy from their shops. License for manufacture of liquor are granted and renewed every year by the Excise Commissioner on payment of prescribed fee subject to prior approval of the State Government. The department follows the under mentioned Acts and Rules:

- Chhattisgarh Excise Act, 1915;
- Chhattisgarh Entertainment Duty and Advertisement Tax Act, 1936;
- Chhattisgarh Distillery Rules, 1995; And
- Chhattisgarh Foreign liquor Rules, 1996.

The State Excise Department is headed by the Excise Commissioner. He is assisted by Additional Excise Commissioner, Deputy Commissioners, Assistant Commissioners, District Excise Officers and Assistant District Excise Officers.
The Principal Secretary cum Excise Commissioner (EC) is the administrative head of the department. He is responsible for formulation and implementation of the excise policy. Two Additional Excise Commissioners, one Deputy Commissioner (DC) and four Assistant Commissioners (AC) assist him at the headquarters. The department has three divisions each headed by a DC who supervises district offices, distilleries and bottling plants in the division. The Collector is the head of excise administration in all the district headquarters and is assisted by Excise Department Officers i.e. AC/District Excise Officer (DEO) at district headquarters/distilleries.

3.BRIEF REVIEW OF THE WORK ALREADY DONE IN THE FIELD

3.1 Title: Anti-Alcoholic movement in Kerala
Submitted to: Mahatma Gandhi University
Submitted by: Mahajan P Mani
Supervised by: Dr. Thomas Joseph Thoomkuzy
Year: 1996

3.2 Title: Emotional problems in wives of alcoholics
Submitted to: Mahatma Gandhi University
Submitted by: John George
Supervised by: Dr. M.P. Mathai
Year: 2000

3.3 Title: Prevention of addiction alcohol and drugs towards a model for Kerala
Submitted to: Mahatma Gandhi University
Submitted by: Jancy Raj
Supervised by: Dr. Mahajan Mani
Year: 2004

3.4 Title: Human Resource Management in commercial taxes dept. of Kerala
Submitted to: Mahatma Gandhi University
Submitted by: George.M.M.
Supervised by: Dr. Thomas Joseph Thoomkuzy
Year: 2005

3.5 Title: Growth of tax revenue – an inter-state analysis
Submitted to: ManonmaniamSundaranar University
Submitted by: Mrs. J. JeyaSheela
Supervised by:Dr. S. Raja Chandraskear
Year: 2009

3.6 Title: Role of Judiciary, Quasi- Judicial Fora and Administrative Authorities under the Indirect Tax Laws- An Appraisal
Submitted to: Punjabi University, Patiala
Submitted by: Kulvinder Kaur
Supervised by: Dr. Ravi Karan Singh
Year: September 2010

3.7 Title: Taxation of Income in India: A Study of Post Liberalization period
Submitted to: Punjabi University, Patiala
Submitted by: Vaneeta Rani
Supervised by: Dr. R.S.Arora
Year: November 2010

3.8 Title: The effectiveness of alcohol warning labels in the prevention of Fetal Alcohol Spectrum Disorder: A brief review
Submitted by: Gerald Thomas
Journal: International Journal of Alcohol and Drug Research
Place: Canada
Year: 2010

3.9 Title: Excises- Comparative study and Harmonization impact
Submitted to: University of Romania
Submitted by: RoibanIosif
Supervised by:ConstantinTulai
Year: 2011

3.10 Title: Monitoring Regional Alcohol Consumption through Social Media
Submitted by: Daniel Kershaw
Year: 2013

3.11 Title: Benchmarking alcohol Literacy: A Multi Country Study
Submitted by: Dariuszsiemieniako
Journal: Modern Management Review
Place: Canada
Year: 2013

4.OBJECTIVES

The scope of any research is determined by the Research Objectives. The basic objective of a research is to find the answers to certain questions through the applications of scientific procedures. Well defined objectives give a firm foundation to the research and results into successful findings. Following are the objectives undertaken for the present study:

4.1 To examine the role of excise revenue in overall economic growth and development of Chhattisgarh with specific reference to Raipur district.

4.2 To study the composition of excise collected by the government with a view to find out its contribution in the total revenue.

4.3 To identify the problems being faced in collection of excise revenue and suggest some policy measures in light of recommendations by the State Government.

4.4 To identify the problems being faced by the licensees in the restricted economic freedom by the Excise Department and suggest some policy implications.

4.5 To examine the effects of alcohol consumption.

4.6 To understand the liquor manufacturing process and the effects of change in composition of the raw materials.

4.7 To identify the impact to total liquor ban in the state of Chhattisgarh.

4.8 To review critically the excise policies implemented by the Government.

4.9 To suggest measures to make the whole planning process more efficient and effective.

5.NOTEWORTHY CONTRIBUTION IN THE FIELD OF PROPOSED WORK

The present study is a research that will add knowledge to the existing system. Analyzing the current policies and procedures followed by the Chhattisgarh State Excise Department the research tries to find out better methods to deal with the existing state. While I have examined various aspects of the state excise, the main focus of my study is to find out the contribution of State Excise Revenue in the prosperity of the Society as well the State as a whole.

The study will reveal the real shape of the State Excise and its role in the Development of the State. Efforts will be made to find out the problems faced by the Excise Department and come out with appropriate solutions for the same. Management practices of the organization will be examined and new directions for thought will be provided. Ways to improve the Administrative Effectiveness will therefore be found out and presented.

The study will also examine the effect of prohibition of liquor by the Chhattisgarh Government on the Economy of the state as a whole. The existence of the Excise department in the State gives earning to many families, provides employment which leads to better standard of living. Prohibition of liquor on one hand is assumed to be a very good step but on the other hand the research will reveal the dark side of the liquor prohibition as well.

Hence, the proposed research will make significant contributions to the knowledge of the State Excise Department, Society and the State Government.

6.PROPOSED METHODOLOGY

Research methodology is a way to systematically solve the research problem. It is a science of studying how research is done scientifically. When we talk of research methodology we not only talk of the research methods but also consider the logic behind the methods we use in the context of our research study and explain why we are using a particular method or technique and why we are not using others so that research results are capable of being evaluated either by the researcher himself or by others.

Research Design:

Research design is considered as a "blueprint" for research. The present study deals with analytical and exploratory methods of research design.

Sources of data:

Primary data: Primary data is data that is original and has never been published before. It is obtained through means of surveys, observation or experimentation and research. Primary data for this study is collected through questionnaires and Interview Schedule. This will result into identifying the problems being faced in collection of excise duty and problems faced by the licensees and finding out solutions of the same.

Secondary data: Secondary data is the data that have been already collected by and readily available from other sources. This research will assimilate the essence from the information taken from following secondary sources:

- Records maintained by the Chhattisgarh Excise department.
- Information collected from the print media: i.e. newspapers, magazines and journals.
- Information gleamed from the internet.
- Other published data like reference books etc.

Sampling Technique and Sample Size: Judgmental sampling which is a Non probability sampling technique will be used in the study. The researcher chooses the sample based on who they think would be appropriate for the study. This is used primarily when there are a limited number of people that have expertise in the area being researched.

Data Analysis: The collected data will be edited to avoid unwanted information & will be arranged in proper sequence. The edited data will be arranged & classified for suitable tabulation, graphs, charts, diagrams wherever necessary. Statistical and Mathematical tools will be applied for tabulation, analysis of the collected. Parametric and Non Parametric tests like chi square etc. will be used. Discussion will be made with responsible officials and authorities of the Chhattisgarh Excise Department.

7.EXPECTED OUTCOME OF THE PROPOSED WORK

The present study is a modest attempt to examine the role played by Excise in the financial system of Chhattisgarh. A detailed investigation on the functioning and management of the **Chhattisgarh State Excise Department** would certainly disclose and highlight the factors affecting its performance and financial outcomes. This study will give new direction to Excise officers to formulate strategies and develop action plans for the state with major reference to Raipur District.

Further, the study will reveal the contribution of Excise to the overall state revenue and the contribution of the same in the growth and development of the state. The study will examine the management practices followed by the Excise department and will suggest measures to improve the same.

It is also expected from the projected work that it brings in light the positive impact of Excise revenue on the social welfare of the state and its negative impact if the agenda of total liquor ban is undertaken by the state government. It will reveal the problems and issues faced by the Excise Department as well as the Licensees concerned with the collection of license fees and excise duty.

The hypotheses formulated for the study are:

1. **H_0:** There is no significant increase in Excise Revenue of Chhattisgarh over the 10 past years.
   H_1: There is a significant increase in Excise Revenue of Chhattisgarh over the 10 past years.

2. **H_0:** Excise Revenue is not a major contributor to the Economic Growth and Development Chhattisgarh State.
   H_1: Excise Revenue is a major contributor to the Economic Growth and Development Chhattisgarh State.

3. **H_0:** The licensees have no significant problems with the policies adopted by the Chhattisgarh State Excise Department.
   H_1: The licensees have significant problems with the policies adopted by the Chhattisgarh State Excise Department.

4. **H_0:** There exists no a need for changes in the overall excise system to increase the Excise Revenue.
   H_1: There exists a need for changes in the overall excise system to increase the Excise Revenue.

5. **H_0:** Adoption of Total Liquor Ban in Chhattisgarh will not lead to a better Social Structure.
   H_1: Adoption of Total Liquor Ban in Chhattisgarh will lead to a better Social Structure.

6. **H_0:** Alcohol consumption has no adverse effect on the working capacity of consumers.
   H_1: Alcohol consumption has an adverse effect on the working capacity of consumers.

7. **H_0:** Change in composition of raw materials has no significant impact on reducing the harmful effect of liquor.
   H_1: Change in composition of raw materials has a significant impact on reducing the harmful effect of liquor.

The following Chapter Scheme is adopted for the study:

Chapter 1: Introductory Framework

1.1 Chhattisgarh and its Evolution
1.2 Raipur District-Demographic specifications
1.3 Introduction to State Excise Revenue
1.4 Economic Growth and Development of Chhattisgarh
1.5 Role of Excise Revenue in Economic Growth and Development of Chhattisgarh

Chapter 2: Research Methodology and Objective

2.1 Introduction to Research Methodology
2.2 Importance of an Appropriate Research Methodology
2.3 Research Methodology of this Study
2.4 Research Objectives

Chapter 3: Hypothesis

3.1 Hypothesis - Meaning and Definition
3.2 Significance of correct Hypothesis
3.3 Steps undertaken for Hypothesis testing
3.4 Hypothesis of the study

Chapter 4: Chhattisgarh State Excise- Working and Management

4.1 Chhattisgarh Excise Act 1915- Policies and Provisions
4.2 State Excise – Organization Structure
4.3 Problems faced by the Excise Department
4.4 Future Planning of Excise Department

Chapter 5: C.G. Excise Revenue: Past, Present and Future

5.1 Sources of Excise Revenue
5.2 Analysis of Revenue Generated by the Excise Department for last 10 years
5.3 Measures adopted to increase the Excise Revenue

Chapter 6: C.G. Excise Expenditure

6.1 Routes of Excise Expenditure
6.2 Expenditure Budget
6.3 Analysis of Actual Excise Expenditure

Chapter 7: Role of Excise Revenue in Economic Growth and Development of Chhattisgarh

7.1 Trend of Economic Growth and Development of Chhattisgarh
7.2 Contribution of Excise Revenue in the Economic welfare of the State

Chapter 8: Total Liquor Ban

8.1Total Liquor Ban- Meaning and History
8.2 Prohibition of Liquor in Gujarat
8.3 How Total Liquor Ban can be adopted
8.4 Effects of Total Liquor Ban on the State economy

Chapter 9: Problems and Suggestions

9.1 Problems faced by the Manufacturer, Licensees, Society and the Chhattisgarh State Excise Department
9.2 Findings of Research Work
9.3 Suggestions to Improve the Chhattisgarh Excise System
9.4 Conclusion

Chapter 10: Bibliography

10.1 Questionnaires
10.2 Interview Schedule
10.3 Bibliography

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- All India Times
- Excise Law Times
- Indian Journal of commerce
- Research Link
- Varta Research Journal

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- Nav Bharat
- The Economic Times
- The Indian Express
- Times of India

8.5 INTERNET

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   Topic: Role of Monetary Policy in Economic Development
   Issue: Dec 2013
   Co Author: Dr. GDS Bagga- Research Supervisor

2. International Journal:Golden Research Thought
   Topic: Contribution of State Excise Revenue In Economic Growth And Development of Chhattisgarh.
   Issue: Aug 2014
   Co Author: Dr. GDS Bagga- Research Supervisor

Research Guide:

DR.G.D.S.BAGGA

ASST. PROFESSOR OF COMMERCE
C.L.C. GOVT. COLLEGE
DHAMDHA, DISTT-DURG (C.G.)

Dr. G. D. S. Bagga
Professor of Commerce
C.L.C. Govt. College.
DHAMDHA, Distt.-Durg (C.G.)

Research Co-Guide:

DR.S.S.KHANUJA

PRINCIPAL
DURGA MAHAVIDYALAYA
RAIPUR (C.G.)

Submitted by:

TANU ARORA

RESEARCH CENTER
Durga Mahavidyalaya, Raipur